

ORDINANCE NO. 94-25

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA AMENDING ORDINANCE 87-11 WHICH IS ENTITLED THE "PALM BEACH COUNTY INVESTMENT ORDINANCE", AS AMENDED BY ORDINANCE 93-25, BY AMENDING THE LIST OF ELIGIBLE SECURITIES IN WHICH SURPLUS COUNTY FUNDS MAY BE INVESTED TO INCLUDE SECURITIES OF CERTAIN INVESTMENT COMPANIES OR INVESTMENT TRUSTS; BY AMENDING THE LIABILITY EXEMPTION FOR THE CLERK TO INCLUDE LOSS OF PRINCIPAL; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Palm Beach County Board of County Commissioners adopted Ordinance 87-11, as amended by Ordinance 93-25, in order to establish the framework for formalized investment policy, build flexibility into the County's investment program and provide for increased revenues; and

WHEREAS, the Investment Policy Committee and the Clerk have recommended the inclusion of the securities of certain investment companies or investment trusts, and to extend the exemption of liability for the Clerk regarding investment transactions to loss of principal as well as loss of interest.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

SECTION 1: Section 3 of Ordinance 87-11, as amended by Ordinance 93-25, is hereby amended to read as follows:

SECTION 3: Surplus County funds may be invested at the then prevailing market price for such securities in the following:

- a.) The Local Government Surplus Funds Trust Fund;
- b.) Negotiable direct obligations of, or obligations, the principal and interest of which are unconditionally guaranteed by the United States Government at the then prevailing market price for such securities;



1 c.) Non-negotiable interest bearing time  
2 certificates of deposits or savings  
3 accounts in banks organized under the  
4 laws of this state, in national banks  
5 organized under the laws of the United  
6 States and doing business and situated  
7 in this state, in savings and loan  
8 associations which are under state  
9 supervision, or in federal savings and  
10 loan associations located in this  
11 state and organized under federal law  
12 in federal supervision, provided that  
13 any such deposits are secured by  
14 collateral as may be prescribed by  
15 law; or

16 d.) Bankers acceptances which are eligible  
17 for purchase by the Federal Reserve  
18 System; or

19 e.) Prime commercial paper. For the  
20 purpose of this section, "prime"  
21 commercial paper shall be defined as  
22 that commercial paper which has  
23 received a Standard and Poors rating  
24 of A-1 and/or Moody's rating of Prime-  
25 1; or

26 f.) Interest-bearing obligations with a  
27 fixed maturity of any corporation  
28 within the United States, if such  
29 obligations are rated by at least two  
30 nationally recognized rating services  
31 in any one of the two highest  
32 classifications approved by the  
33 Comptroller of the Currency for the  
34 investment of the funds of national  
35 banks.



1 g.) Obligations of the Federal Farm Credit  
2 Banks, Federal Home Loan Mortgage  
3 Corporation, or Federal Home Loan Bank  
4 or its district banks, including  
5 Federal Home Loan Mortgage Corporation  
6 participation certificates, or  
7 obligations guaranteed by the  
8 Government National Mortgage  
9 Association.

10 h.) Obligations of the Federal National  
11 Mortgage Association, including  
12 Federal National Mortgage Association  
13 participation certificates and  
14 mortgage passthrough certificates  
15 guaranteed by the Federal National  
16 Mortgage Association.

17 i.) Shares of funds created by the Florida  
18 Counties Investment Trust or shares or  
19 interests in other investment trust  
20 authorized by Florida law for  
21 investment by municipalities or  
22 counties.

23 j.) Investments in any securities  
24 authorized by Sections 3b., 3g., and  
25 3h. may be under repurchase agreements  
26 or reverse repurchase agreements.

27 k.) Securities of, or other interest in,  
28 any open-end or closed-end management  
29 type investment company or investment  
30 trust registered under the Investment  
31 Company Act of 1940, 15 U.S.C. ss.  
32 80a-1 et seq., as amended from time to  
33 time, provided the portfolio of such  
34 investment company or investment trust  
35 is limited to:



1                   1.) Obligations of the United  
2                   States Government or any  
3                   agency or instrumentality  
4                   thereof. Investment in  
5                   CMOs, REMICS, or other  
6                   derivative securities are  
7                   prohibited.

8                   2.) Repurchase agreements fully  
9                   collateralized by such  
10                  United States Government  
11                  obligations, provided such  
12                  investment company or  
13                  investment trust takes  
14                  delivery of such collateral  
15                  either directly or through  
16                  an authorized custodian.

17                  3.) Securities with an average  
18                  maturity or average life of  
19                  one year or less.

20                  SECTION 2: Section 7 of Ordinance 87-11, is hereby amended to  
21 read as follows:

22                  **Section 7:** The Clerk, is authorized to sell such  
23 obligations or securities purchased pursuant to this  
24 Ordinance, at the then prevailing market price, and to pay  
25 the proceeds of such sale into the proper accounts or funds  
26 of the County and shall not be liable for any loss of  
27 principal or interest resulting from such transactions.

28                  SECTION 3. REPEAL OF LAWS IN CONFLICT:

29                  All local laws and ordinances in conflict with any provision of  
30 this ordinance are hereby repealed.



